

**PIONEER INDUSTRIAL RAILWAY CO.**

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July 25, 2005

Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

RE: Docket No. AB 878 – Adverse Discontinuance - Pioneer Industrial Railway Co.

Dear Secretary Williams:

As the Board is aware, PIRY and the City have been exploring settlement options that would allow Pioneer Park shippers to retain the connections they currently have to the line-haul railroads coming into Peoria. The most viable proposal involved asking Union Pacific Railroad to grant trackage rights for cars destined to Pioneer Park. We were today advised by Mr. Mike Payette (Asst. Vice President, Government Affairs) of Union Pacific that UP favors the “status quo” at Pioneer Park (with PIRY providing service via the Kellar Branch and TZPR); that UP does not want to grant any trackage rights, and, further, that it is the UP Legal Department’s position that UP does not have to provide any service to the proposed interchange with the former UP spur to Pioneer Park (that the City bought to provide “service from the west”), and UP does not intend to provide any such service..

Therefore, at this point, the shippers have no option of “service from the west,” and the granting of this Petition would constitute a total abandonment for the Pioneer Park shippers. The City’s representation that such service will ever exist is unfounded.

PIRY remains committed to the Pioneer Park shippers, and is the only carrier ready, willing and able to provide rail service via the Kellar Branch, which is the only viable route.

Sincerely yours,



Daniel A. LaKemper,  
General Counsel.

cc: Thomas F. McFarland, Esq.  
John W. Gohmann